

The Office Evolution

BY **JANET POGUE**

Gensler's *2008 Workplace Survey* helps capture the enormous change in the knowledge economy over the past several years and aids clients in benchmarking themselves against a national pool of corporate organizations. This first of a multi-part series in *Contract* offers an executive summary of the survey's basic findings.

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INTRODUCTION BY JENNIFER BUSCH:

Quite a few years ago, during a conversation I had with the legendary Art Gensler, he noted that one of the most significant problems facing the commercial interior design industry is lack of research to support design decisions. Gensler's *2008 Workplace Survey* goes a long way toward addressing that concern, at least as it pertains to the corporate office environment. According to Gensler executive director Diane Hoskins, the study began with the firm's Workplace Performance Index (WPI), a tool first developed for use in pre- and post-occupancy studies for Gensler's clients. Before long the WPI formed the basis of a broad national survey, by which individual clients could benchmark themselves against a national pool of corporate organizations. Now Gensler is making public the results of its 2008 Workplace Survey, in part as a response to the widely held belief that productivity cannot be accurately measured. Whether or not this actually is the case, the survey has been enormously helpful within the ranks of Gensler, and no doubt other firms could learn from its findings as well. "We think we know what goes on in organizations, but there has been so much change in the knowledge economy," Hoskins says. "There has been so much transition that has had a huge impact on the workplace. It is absolutely imperative that we understand these changes for ourselves so we can make the right design decisions that bring the greatest value to our clients."

Gensler Workplace Survey

The world of work has changed. No longer focused on paper pushing and individualized tasks, today's knowledge economy is powered by individuals and teams creating organizational value

Billions of \$ invested by US companies in employee learning in 2007

110

Integrating learning into everyday work is an essential element of the knowledge workplace.

Percent of respondents at top-ranked companies that expressed satisfaction with their workplaces

82%

Minimum number of learning styles a productive workplace has to support

3

Knowledge work depends on information flow. Social networks sustain it.

Socializing occurs more at top vs. average companies by

16%

Research shows that companies with a robust social infrastructure are more likely to succeed.

Socializing is valued more at top vs. average companies by

2.8x

Percent of project-specific knowledge gained from peer interaction

70%

Knowledge is transferred more between people than from other sources of information by

5x

Given better workspaces, respondents identified significant improvement in every work mode.

Additional time spent in focus work mode at average vs. top companies

21%

Percent of knowledge workers who agree that workplace design affects productivity

90%

and driving business performance. Ideas, information, and expertise are the new currency of business success.

If the very nature of work is changing, the workplace itself must be reconsidered to help maximize productivity and performance. Gensler's 2008 Workplace Survey, conducted in the United States and the United Kingdom, presents new insights about the nature of work today—the four work modes of the knowledge workplace, the amount of time employees spend in each work mode, and how critical each mode is to job performance—and the link between workplace design and productivity.

Gensler commissioned an independent consultant to conduct the online surveys, with a random sample of 900 participants in the United States and 300 in the United Kingdom. All staff levels were represented and as well as nine industries, with equal geographic distribution.

The Knowledge Workplace

The Workplace Survey revealed that top-performing companies—those companies identified by respondents as the most profitable, most admired, and leaders in their industries—are embracing a fundamental restructuring of work that recognizes the primacy of four work modes in the knowledge

economy: focus, collaboration, learning, and socializing. The study found that companies who provide workplaces that better support the four work modes see higher levels of employee engagement, brand equity, and profit, with profit growth up to 14 percent greater than those with less supportive work environments.

In the traditional workplace, individual heads-down work was king, but today new work modes—collaborating, learning, and socializing—are of equal importance. Gensler’s survey clearly shows a competitive advantage for companies that understand their value, and survey numbers tell the tale: employees at top-ranked companies consider collaboration twice as critical to job success as average companies (43 percent versus 21 percent) and spend 23 percent more time collaborating than average companies (36 percent versus 29 percent). Socializing was almost three times as critical to employees at top-performing companies, who spend 16 percent more time in that work mode (20 percent versus 7 percent).

Doing More with Less

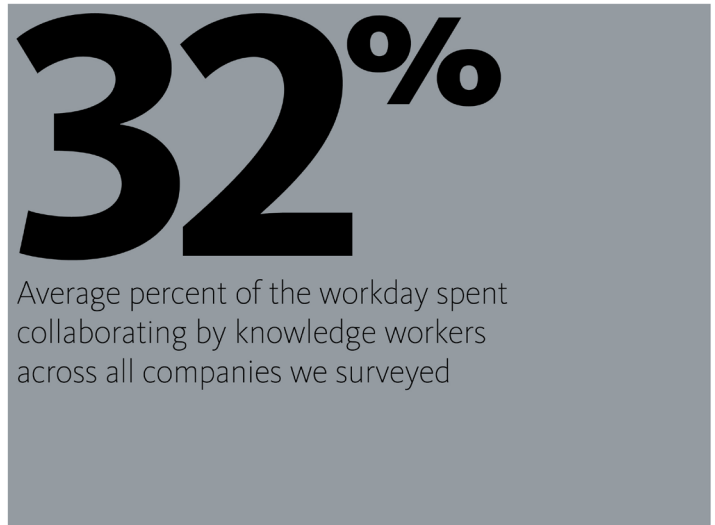
Gensler’s research reveals that 36 percent of offices are ineffective or ill-suited for the activities of the knowledge workforce. In fact, employees believe that they could increase the quality and quantity of their work by an average of 25 percent by improving workplace areas to better support all four work modes.

Improving the workplace does not necessarily mean adding space. Gensler’s research indicates that if organizations provide settings that support today’s dynamic ways of working, they can reduce real estate costs and improve their company’s performance at the same time—they can do more with less.

The ROI of Workplace Design

As part of the survey, Gensler established the Workplace Performance Index (WPI), a rating derived through a combination of measurements around work mode time, criticality, and effectiveness, as well as the physical characteristics of space. According to this measure, Gensler found that top companies scored an average WPI of 80 out of 100, and average companies only an average of 64. Drilling down to workplace effectiveness for specific work modes, 86 percent of top-performing companies ranked their spaces effective for collaboration versus 72 percent at average companies and up to 14 percent higher for focus, learning, and socializing work modes.

Companies with higher WPI scores showed higher revenue and profit growth than those with low to moderate scores. At the



2x

Collaboration is considered twice as important by employees at top vs. average companies

43%

Percent of workers at top companies who rate collaboration as a critical work mode

high end of the WPI (91–100), three-year average profit growth is 28.2 percent. At the low end (0–40), three-year average profit growth is just 14.4 percent.

Higher workplace effectiveness is a strong factor in attraction and retention of talented people: ratings of a company’s attraction/retention capability are almost three times higher when their workplace score rises above 80. Businesses are viewing potential and existing talent as internal customers, and the workplace is a key part of the employment package that brings them in and keeps them working at their best for a company.

Gensler’s findings on productivity and the workplace present a dramatic opportunity for companies to leverage workplace improvements and harness the full potential of their employees for enhanced organizational performance.

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